

The Role of Indian Industrialization in Economics Development

Dr. Bhagde P. M.

Acting Principal,

Arts & Commerce College Javhar,

Javhar, Dist. Thane, Maharashtra (India)

Abstract:

Basically, all less developed countries undergoing development face an over all transformation from a traditional economy into a modern economy. India enjoyed industrial supremacy for thousands of years and Indian context, traditional industries. The dividing line between traditional and modern industrial is drawn by industrial Revolutions. The developments took place in England and other European countries from the second half of the 18th century right up to the end of the 19th century. All these changes were so sweeping that they involved simultaneous transformation of transport and communication, banking and finance, technical and professional education and the approach of the Government towards intervention. Is it necessary that every country must aim at industrialization? Can we achieve a betterment of living standards of our people without industrialization? Can we think of developing other sectors, by exporting the products of which we would import industrial products? All such questions need to be addressed in analyzing the role of industrialization in the Indian economy.

Keywords: Development, Economy, Industrialization, Production, Trade.

Introduction:

Industrialization has a major role to play in the economic development of any country. The gap in per capita incomes between the developed and underdeveloped countries is largely due to their structure of economies. Where as the under developed countries are confined predominantly to agriculture. It also leads to bring out prosperity in agriculture, trade, distribution and other related sectors of the economy. Thus, industrialization is inspirable from substantial, sustained economic development because it is both a consequence of higher incomes and means of higher productivity. There is now almost universal agreement on the importance of industries. However the proper pattern of industrial development should be followed depending upon the need of the economics. It is said that industrial development had three stages such as processing of primary products, manufacture of consumer goods and manufacture of capital equipment. The simultaneous development of all three classes of industries will prove to be the post effective strategy of industrialization. In India, industrial sector plays the following roles.

Increase in the international Trade:

International trade is always is always beneficial to all countries. It ensures all the advantages of the division of lab our and also makes any commodity available in any country. Similarly, the

technique of production or skill available in any part of the world can be made available to any country. Any country participating in the international trade can derive these advantages. Formerly, people believed that the countries engaged in primary production should produce and export only primary products and import manufactured products. But experience has proved that this is detrimental to the development of international trade of countries. The demand for primary products is more or less fixed and does not increase rapidly. This makes it impossible for the countries, who are exporting primary products to expand their exports.

1. Satisfaction of Demand:

Demand for primary products continues to increase up to a point. The demand for comforts and luxuries goes on increasing after the basic necessities are satisfied and it becomes necessary to increase the industrial output in the country. As mentioned earlier, this is also essential to increase exports. The demand for primary products is inelastic and not likely to increase. Thus, it is essential to bring about the required change in the supply of exportable commodities taking into account the changing pattern of the international demand.

2. The diversification of Production:

If the production in the economy is diversified, then it becomes easier to face such calamities. With the winds of globalization, diversification has become still more important. For raising the level of competitiveness, it has become necessary to find out new avenues of industrialization which would be advantageous to us. Indian exports of jewelers, ready made garments and handicrafts are examples of how diversification has helped the parent organizations to enter into the world market.

3. Increase Employment Opportunities:

In a country like India, unemployment and disguised unemployment pose a very difficult problem. On the one hand, it is necessary to provide employment to an ever increasing population and on the other hand. It is necessary to reduce the dependence of the population on agriculture. It is a well known fact that in agriculture and other primary fields of production the law of diminishing returns becomes operative earlier. In the case of industrial production the returns keep increasing up to a limit and this limit can be enhanced by proper planning. At least the returns may be kept constant if proper care is taken. Thus makes it possible to provide greater employment opportunities, by stating large and small scale units on a large scale.

4. Development of Agriculture and other Primary production sectors:

The development and progress of dairy, fishing forestry, poultry and other vocations in the primary filed related to agriculture depends on the development of industries. The

development of industries helps the development and progress of these allied vocations in the following ways:

- (A) It increase the demand for the products of the dairy, poultry, forestry and for cotton, sugarcane, tobacco and other agricultural products,
- (B) The industrialization expands the markets for all the agricultural products and thus enables the people engaged in agriculture and other primary- industries to increase their income and their standard of living.
- (C) The increased demand for agricultural and other industries makes the rationalization and modernization of these industries possible. Modern tools and machinery, improved variety of seeds, pesticides etc. can be used, warehousing facilities, cold storage facilities, easy and reliable transport facilities etc also can be used.

5. The Strength and Stability of the Economy:

- (A) Industrialization makes it possible to undertake research, which may lead to technical progress and in turn makes it possible and profitable to construct roads, dams and barrages, railways etc. which are very essential for the economic development. Thus industrialization helps creation of the infra structure of a developing economy,
- (B) The industrialization makes the economy more balanced and ends lopsided development.

6. The Sovereignty of the Nation:

In order to maintain the sovereignty of the nation, it is necessary to produce all the requirement of arms and ammunitions, defense vehicles, aero planes, ships etc. in the country. This has been proved several times during the times of international stress and strain. So even for maintaining the sovereignty of the country, it is necessary to industrialize.

7. Welfare Functions of the State:

The ability or capacity of the industries to create surplus is large. Similarly, the industrial section is always better organized. This makes possible and easy for the government to tax industries and collect the taxes. The proceeds of these taxes can be used for furthering the welfare activates for state. Even from this point of view it is necessary to industrialize.

8. Social Change:

Industrialization is likely to bring about change in the attitude of the society as a whole. People must work together and cooperate with each other. Thus, as a result of industrialization there is social change also. The people in an industrialized society by and large are normally more alert, cooperative, well informed eager to change with times, and are mostly dynamic.

Conclusion:

The importance of industrialization cannot be overemphasized in the context of economic progress and development, Increase in Income and betterment of living standards:

It is possible to bring about a rapid increase in the national income and with it an improvement in the general standard of living of the people by resorting to industrialization. It is true that a few countries like Demark and Holland have become prosperous and have improved the standards of living of their people with the help of their advanced agriculture. Industrialization is the result of human efforts. The increase in production and wealth brought about by industrialization is the result of human lab our and ingenuity. It entirely depends on the technical progress and human efforts. Industrialization necessarily leads to an improvement of the standard of living because it is always possible to use most modern techniques of production, and also to bring about improvement in the techniques of production.

References:

1. A lexzander P.C. "Industrial Estate in India".
2. Bajaj C, Arya and Shrivastava, N.V. (2011) Retail Marketing Oxford University Press.
3. <http://www.economywatch.com>

